



**REPORT  
OF  
THE NATIONAL COMMISSION  
ON  
URBANISATION**

सत्यमेव जयते

August 1988

**VOLUME I**

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## Preface

FUTURE historians may well decide that the crucial phenomenon of our times is the massive urbanisation that is engulfing the Third World. Within the span of the last two decades, towns and cities all over Asia, Africa and Latin America have been doubling and tripling in size. India, which has the second largest population in the World, is central to this phenomenon.

It is indeed encouraging that, for the first time, the Government of India has appointed a National Commission to look into the issues. Our Interim Report was submitted to Government in January 1987. Since then, we have continued to deliberate on the broad range of policy interventions necessary to bring about more humane and efficient urban settlements, keeping in mind the urgency of generating rapid economic growth with equity and social justice.

In this task, we have had the opportunity of interacting with a large number of specialists of eminence who have been engaged in preparing Working Group reports and research studies for the Commission. During our visits to the States and Union Territories, we obtained valuable insights into the problems of urbanisation at the grassroots, sub-state and state levels, through field visits and detailed discussions with the Chief Ministers, concerned Ministers, officials and citizens. We have also had the benefit of meetings with the Prime Minister, initially, when the Commission was still formulating its basic approaches, and later, at a stage when our ideas were taking concrete shape.

Today, our nation is gradually beginning to realise that the process of urbanisation is much more than just the breakdown of Calcutta, or the overcrowding of Kanpur, or the traffic problems of Bombay—it is a phenomenon of unique scope and dimension, one which is going to change fundamentally the nature of our lives. From it will emerge the central, political, human and moral issues of our times, precipitated by the rising expectations of the millions upon millions of our people who want to find a better future.

We hope that our recommendations will not only receive attention from Government, planners and administrators, but will also form the basis of wide-ranging public debate and

discussion, so that a broad concensus emerges on the developmental and planning issues it raises. We are pleased to submit this Report in the hope that it will generate this national debate, and in the process clarify for Government the decisions it must take.



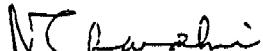
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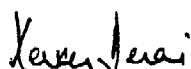
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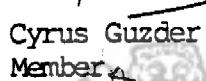
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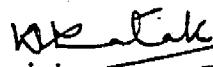
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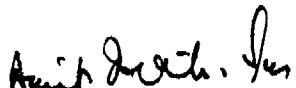
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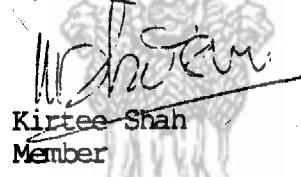
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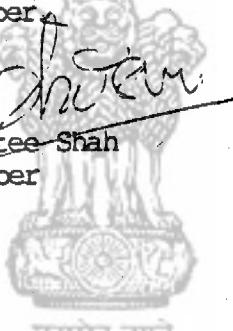


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August 12, 1988.



## Acknowledgements

The Commission acknowledges, with deep sense of appreciation, the enormous efforts put in by the working groups, research institutions and experts who have conducted studies on behalf of the Commission and have prepared working papers, reports and supporting documents. We are grateful to Shri K. Dharmarajan, IAS who took time from other duties at short notice to prepare a paper on "Energy". The Commission would like to place on record the special thanks to the National Institute of Urban Affairs, its Director, Shri Om Prakash Mathur and his staff not only for conducting studies on our behalf but also for very generously placing all the facilities of the Institute at our disposal for the compilation and preparation of the report properly.

The Institute of Economic Growth, its Director, Professor T.N. Madan and the colleagues of Professor Ashish Bose, who have laboured in preparing the entire demographic perspective of urbanisation, analysing the data and helping in the preparation of the report at various stages, need a special mention here.

The Commission thanks the Registrar General, India and the Deputy Registrar General (Map Division) for their help and cooperation in getting the necessary data and also the maps.

The National Centre of Human Settlements, Bhopal has provided the back-up facilities and research. The Commission thanks the centre for this work.

सत्यमेव जयते

The Commission is grateful to the Union Ministry of Urban Development, in particular Hon'ble Mrs. Mohsina Kidwai, Union Minister of Urban Development, Shri Dalbir Singh, Minister of State, Shri D.M. Sukthankar, the Secretary, and Shri R.L. Pardeep, Joint Secretary and its entire staff for extending unstinted cooperation to the Commission. We would like to place on record that without the help of the Ministry, our task would have become impossible.

The commission also expresses its sincere gratitude to all other Ministries of the Government of India, all the State Governments and the Administrations of the Union Territories for their support, free sharing of the thoughts and warm hospitality. The Commission would like to thank the citizens, expert groups and representatives of various public institutions who spent time generously in interacting with us during our tours and also assisting us by sending their valuable suggestions.

The Commission places on record a deep sense of appreciation of the work done by the Secretariat of the Commission in providing fullest support in all aspects of the Commission's work. Special mention must be made of the efforts put in by Sarva Shri M.C.Arora, B.R.Dhiman, R.K.Saxena, P. Sisupalan, C. Baskaran and Isaac Instone Noble Thalari. The Commission also places on record its thanks and appreciation to the Member Secretary, Shri Naresh Narad, IAS, both as a partner in the deliberations of the Commission and as the leader of the team which served us so well.

M.N. BUCH  
*Vice-Chairman*



# 1

## Issues and Strategies

Over the past four decades, the number of people living in India has more than doubled—from 350 million in 1947 to nearly 800 million today. During the same period, our urban population has been growing almost *twice as fast*; and has in fact quadrupled from 50 million in 1947 to over 200 million in 1988. In just thirteen years, i.e. by 2001, it is expected to reach 350 million.

Because of the magnitude of these numbers, our attitude to these urban centres has been confused and equivocal. On the one hand we see them as heroic engines of growth, not only creating skills and wealth for the nation, but also generating employment for migrants from rural areas. From such a viewpoint, one can perceive India to be truly fortunate in the extraordinary range and diversity of her urban settlements: from town to city to metropolis. Like our farmlands, rivers and other natural resources, they are a crucial part of our national wealth.

On the other hand, these urban centres have also generated the most brutal and inhuman living conditions, with large sections of the citizens (almost half in Bombay and Delhi) living in squatter settlements. The overcrowding in the slums and the desperate lack of water and sanitation leads not only to severe health problems but to the abject degradation of human life. In this as well, India unhappily is in the forefront—one would have to travel far and wide to find conditions as reprehensible as those existing in our cities. In the decades to come, who knows how much political tension and physical violence will be triggered off by the flagrant display

of wealth which coexists with the rising expectations of the poor and with the appalling conditions of congestion and pollution which form their environment?

The degradation of our urban environment must indeed cause alarm, but it is not, of course, the sum total of urbanisation. Urbanisation can also be perceived as a process by which the surplus population of workers in rural areas can resettle in centres where non-agricultural job opportunities are available. If the job opportunities are productive and lead to gainful employment, urbanisation becomes a catalyst for economic development. If, however, urbanisation is merely a process of transfer of rural poverty to an urban environment, it only results in a concentration of misery. Depending on whether urbanisation is viewed and encouraged as a positive developmental process or not, it can be used either to alleviate rural poverty, and thus create a sound basis for national prosperity or it can be seen as a process of human decay. To emphasise its positive aspects is to seek, in at least four major areas, hard answers to some very difficult questions indeed:

- (1) In 1981 there were 160 million people living in urban areas; by 2001 these will increase to 350 million. Where will these people go? How will they earn a living? How will they be housed? Can we really afford the infrastructure to service such large conglomerations of people?
- (2) Our urban areas, particularly the metropolitan cities, are in severe crisis. Our planning processes have proved to be

intrinsically defective, the cities are overcrowded, urban land has become extremely scarce, services are breaking down, city management is often ineffectual and human misery has increased beyond belief. How can we feel that we have progressed as a nation when, in just twenty years, almost every one of our major cities has been reduced to a virtual slum?

- (3) Just as the physical infrastructure and administrative systems have collapsed, so also have the processes for raising resources. For whatever reason, resource allocation in the urban field seems to follow a problem rather than anticipate it. The compulsions of a situation determine its allocation. This again is evidence of a system which is in severe crisis.
- (4) The inefficiency of our cities and towns is being perpetuated by obsolete, rigid and irrational laws, regulatory provisions and norms. The urban centres, with their concentration of diverse activities, should be generators of wealth; instead, they have degenerated into parasites looking elsewhere for support. This is a perversion of the economic system, because logically it is the urban markets which should trigger off prosperity in the rural areas. Instead, the cities claim that they cannot even pay for their own upkeep, and constantly hanker for subsidies. This distorts profoundly the basic relationship which should exist between the rural and the urban sectors of our economy.

The task of tackling these issues is one of extraordinary complexity, the difficulty of which is further compounded by the inadequacy of the available data-base, and the extent of its scatter. There is no data, for instance, on the annual rate of delivery of new urban land to the urban land market, nor is there a regular flow of information on housing stocks, housing availability and prices. Reliable data on the costs of urbanisation are hard to get. Vacant land data are notoriously unreliable. Urban land records are often in hopeless disarray. The census of 1981 collected less information on urban issues than did the census of 1971.

Should we then indefinitely postpone addressing the issues we have posed, and which are so crucial to our survival, until we have collected the great masses of data which we think we might need? On the other hand, obviously the urban situation in India is one of deep crisis, and calls for measures analogous to those used when a house is on fire, or there is a citywide epidemic. *The need to act becomes an overriding imperative.* And this action must be taken on the basis of a *prima facie* case, derived from the existing facts, past experience and human insight.

Once we forge the will to act, the situation does not seem so discouraging. Far from it. In fact, having examined the crucial issues (from resource mobilisation and land supply policies to water and shelter for the poor), this Commission has identified in almost every case, viable programmes that merit our most urgent consideration. What government needs to change above all is the lethargy that is gradually, and fatally, taking over. Instead, we must acknowledge the positive aspects of cities and the opportunities which they represent. Urbanisation is a necessary concomitant of the development path we have chosen. Towns and cities, despite their problems, are for millions and millions of our people, the road to a better future.

#### THE URBAN—RURAL NEXUS

Urbanisation involves two closely related factors. The first is the people-work relationship in rural areas, in which land is the essential medium—and which is right now so critically balanced that any addition to the population must inevitably push people out of agriculture into non-agricultural occupations. The second is the fact that only urban settlements can offer substantial non-agricultural employment, and absorb the migrants who are moving out of an agricultural economy.

Though the process of urbanisation has been accelerated by distress migration from rural areas, it has been accompanied by economic changes as well. In 1950-51, the contribution of urban India to net domestic product was 29 per cent. This grew to 37 per cent by 1970-71. Given the present economic trends, it is likely to increase to over 60 percent by 2001. Thus about 35 per cent of the population will contribute

over 60 per cent of the NDP. And the process is not an economic one alone. There are strong fall-outs; e.g. the development of skills and the diffusion of innovations, which are fostered by an urban milieu.

This is not to suggest, even for an instant, that programmes for family planning and for agricultural development should not be given the highest priority. On the contrary, for rural India to prosper, a number of key development programmes and reforms focusing on agricultural and population issues will have to be first put into operation. However, even if we could find the political will to make these programmes and reforms operative right away, there would inevitably be gestation period before they would yield results, and if during this period the villages are to be relieved of their surplus population, it must be the urban settlements with viable economies to which they will have to turn. Viewed from this angle, urbanisation is a healthy and positive phenomenon, since unless urban India is adequately developed, the rural economy will collapse under sheer weight of numbers.

In fact, in States where irrigation and the extension of appropriate technology to agriculture has led to massive surpluses in production, the urban-rural nexus has actually been strengthened, largely because of the operation of market forces. Thus, while migration from rural to urban areas is a process which seemingly holds out the greatest danger to our urban settlements, it is in fact one of vital importance for the development of the rural areas, and thus for the nation as a whole. It is from this perspective that the Commission has examined the crucial issues and conceptualised the strategic thrusts needed for the next few decades—*without, in any way, questioning or pre-empting the development and reform which must be carried out with the greatest urgency within rural India itself*

#### **EXISTING PATTERNS AND POLICIES**

There are 3301 urban settlements in India, ranging in size from small towns to giant metropolises with 9 million and more. During the decade 1971-1981, these centres grew at an average rate of 46.2 per cent (with growth through migration and growth through natural increase almost equally balanced). Significantly, the big metropolitan cities have a slower

growth rate than the medium sized towns. For instance, the twelve metropolitan cities (with a combined population of 42 million) grew by only 29.6 per cent during the same decade.

Estimates vary, but by 2001 India's urban population will be in the vicinity of 350 million. By that year, the number of cities with a population of more than one million each (which in 1981 numbered 12) will have gone up to about 40. Hitherto urban India has been dealt with as a residual issue, an adjunct to rural India. Now, in demographic projections made for just over a decade hence, urban India will have become a reality of staggering magnitude—with the number of urban citizens equal to those in the USA and USSR combined! This nation can no longer afford to regard cities and towns with a sort of benign neglect; they need our full attention.

Whilst the rate of growth of very large cities may have declined, the annual addition to their population in absolute numbers has been very substantial. Metropolitan cities such as Bombay, Delhi and Bangalore grow each year by over 300,000 people, i.e., the equivalent of what has been classified in this Report as an independent C 1 city (see box on page 23.) Thus, while one might draw some slight comfort from the decline in their rate of growth, the addition of such colossal numbers to these cities nevertheless exerts enormous pressure on their already over-strained physical and social infrastructure—not to mention their capacity to generate additional employment. The result: these cities have neither been able to upgrade their infrastructure, nor to add adequately to employment capability in order to cope with the additional population.

So far, at the national level, the problems of these cities have been treated in an ad hoc manner. Programmes such as IUDP (Integrated Urban Development Programme) and IDSMT (Integrated Development of Small and Medium Towns) have emerged from time to time and, without being allowed to run their course, have been abandoned at the end of a particular Plan period. The fallacious premise that urbanisation is synonymous with industrialisation has resulted in attempts to create towns around new industries in wilderness areas, where neither the infrastructure nor the available natural resources permit sustained growth. The

Commission therefore is of the opinion that ad hoc policies relating to urbanisation and urban development need to be replaced by a consistent, logical, systematic policy which can be sustained over a period of time.

## INTERVENTIONS

In the Commission's view, a programme of explicit state interventions is necessary to direct and modify the course of urbanisation in future. The broad guidelines for such a programme, both at the central and state level, should be a mix of positive development and preventive control. A large number of medium and small towns will have to be given the necessary impetus by way of investment, particularly investment in infrastructure, so that they develop in a desirable manner. Control of land-use is not enough; a whole range of policy instruments such as the supply of electricity, water, transport, etc. have to be considered, including pricing policies for these services.

There is indeed a wide spectrum of urbanisation conditions in the 422 districts of this nation, ranging from those which are 100 per cent urban to which are 100 per cent rural. Choosing 30 per cent urban as the cut-off point (as compared to the national average of 23.7 per cent), we have identified 58 districts where the urban population has already crossed this level. The Commission strongly recommends that the necessary back-up be given to these districts in order to increase their rate of urbanisation and thus generate more employment and economic growth.

At the other extreme, we have the rural districts, i.e., the 109 districts where the rural population is over 90 per cent of the total population. Most of these districts are poor and backward and these are precisely the districts which have the highest potential for migration to the urban areas. Since the recommended policy is to reduce the flow of migrants to the bigger cities, viable strategies must be conceptualised for these rural districts to develop. Appropriate investments have to be made to generate employment and economic growth not only in agriculture but also in trade and commerce, administration, the tertiary sector (particularly in health and education), and of course, to the extent possible, in the development of small industries. To minimise any element of ad hocism

and arbitrariness, we have recommended the development of the headquarters of such rural districts in this manner. These of course are broad guidelines, and while working out concrete programmes for urban development, deviations may have to be made in some cases from this general rule of supporting headquarters. However, the Commission wishes to emphasise that these strategies for development of the rural districts are totally different from the present policy of encouraging industry to locate in 'backward' areas, and that propping up backward no-industry districts by giving incentives to entrepreneurs will not by itself help either the process of viable industrialisation or of rural development.

It will be seen that the intervention strategies proposed range from giving the necessary back-up to districts which have already reached a relatively advanced stage of industrialisation and urbanisation, to providing input in districts where urbanisation is low and migration is high. These urbanisation strategies thus become direct inputs for rural development and for poverty alleviation at the district level. They have their genesis in a philosophy of using urbanisation as a positive and beneficial force based on the premise that cities and towns should be engines of economic growth. During the British rule, only a few metropolitan cities were 'theatres of capital accumulation'; what we need today is the diffusion of economic activity in a manner that will generate economic growth with equity, constantly keeping in view the larger objective of balanced national development.

In the historic process of urbanisation throughout history, the development of administrative nerve-centres have always played a crucial role. But it is not enough to develop and sustain New Delhi as the capital of India: all the State capitals deserve equal attention. Our urbanisation strategy must reflect the concern for all such cities and towns (regardless of population size) and the Five Year Plans should provide adequate support for this. Similarly, infrastructural support should be given to large industrial cities (old and new), port cities and other industry-specific cities, so that their economic bases are consolidated, strengthened and expanded.

Keeping these guidelines in mind, and using

various statistical criteria, we have made a preliminary list of about 600 cities and towns. Barring some of the headquarters of rural districts, most of these cities recorded high rates of population growth and expanding economic activity. These GEMs (Generators of Economic Momentum) were further screened from the point of view of physical location, availability of water, energy and transportation, and a final list of 329 GEMs was prepared. Based on this configuration of GEMs, 49 priority urbanisation regions throughout the country were delineated, taking into account the 15 Agro-climatic Regions recently defined by the Planning Commission and the 80 natural regions used by the National Sample Survey Organisation. These 49 SPURs (Spatial Priority Urbanisation Regions) are of varying sizes and shapes, and cut across state boundaries. For urbanisation to play a major role in the development process, the Planning Commission and the State Governments should view urbanisation in the total developmental context and allocate resources which will ensure optimum utilisation of the natural and human resources within each of these SPURs.

For decades now, the rate of urban growth has followed the pattern of investment, particularly so in the Third World. It is precisely because we will not invest in a city such as Gwalior that Delhi still continues to grow; it is because Warangal is left undeveloped that Hyderabad is bursting at the seams; it is because Katihar and Champaran are allowed to decay that people from Bihar will migrate to Calcutta or Bombay rather than stay nearer home. The Commission, therefore, has recommended that any future strategy for urbanisation in India must ensure adequate investment in the selected growth centres and regions so that, over a period of time, they develop to a level capable of self-sustaining economic growth and offer avenues of employment and earning to the surplus population of not only the surrounding villages but also the nearby towns which are stagnating. Somewhere between Rs. 3,000 and 3,500 crores will need to be invested per year in infrastructure in order to achieve such growth momentum. A great deal of initial financing would have to be provided, but as economic activities develop and towns grow, they will be expected to repay the invested amounts. When compared with the ad hoc expenditure now

incurred just to keep the older large cities alive, investment of this relatively small amount in our urban future would be more than justified. The crucial difference in applying resources in the manner proposed is that they would *anticipate* the future rather than merely *follow* a trail of disaster resulting from passive neglect.

In achieving these objectives, power availability could be used as an instrument for establishing preferred patterns of growth. Business activity is attracted to places where power availability is reasonably certain - which is why an industry would rather locate, even illegally, in Delhi where it has power for 24 hours of the day, rather than at Sonepat or Panipat where it would be fortunate if there was power for even 12 hours a day. One of the reasons for the rapid growth of Bangalore was the easy power supply position, which attracted many large-scale industries to that metropolis. If two decades ago, power had been made available by the Karnataka Government at places other than Bangalore, the urban picture would have been altered decisively in that State. This point is emphasised because it is not as if leverages are not available to Government for influencing the locational decisions of industry, including the private sector. Whilst cautioning against the irrational use of government leverage to force development into areas which have no growth potential, the Commission feels that, once the centres have been rationally identified, access to energy should certainly be one of the instruments used to direct development to these locations.

The Commission is confident that, if sufficient investment is made in the GEMs and SPURs identified, then, by the end of the Ninth Plan, the urban settlement pattern in India would have substantially changed and the imbalances of the present metro-dominated urban system would be greatly reduced. However, this does not mean that our larger cities and towns, which contribute so much to national wealth, should be neglected. Today we have a stop-go approach to these centres, with a holding back of development inputs till such time as a crisis forces makeshift decisions on us. The slums of Bombay and the major breakdowns of Calcutta's physical infrastructure require more than ad hoc decisions to make Rs 100 crores available to one city and Rs 150 crores to another.

What precisely is wrong with our large cities and towns? What has caused their decay? Why is there inadequate access to land for housing? Why are the civic bodies virtually insolvent? Why is poverty so patently visible in urban centres which have such a vast potential for generating wealth? In the answers to these questions lies their future. The Commission has approached these problems from many angles, including organisational structure, policies related to urban form and planning, industrial location, land, access to funds, housing, infrastructure, conservation, and the regulatory provisions of laws and rules.

### THE HUMAN FACE OF CITIES

We have spoken much of urban patterns and spatial planning; it is time we turn our attention to the people who inhabit our towns and cities. And here, without any doubt, that which is most clearly apparent (and which causes the greatest anguish) is the starkly visible poverty we see around us. It is, arguably, the worst pollution of all—manifest in the slums which dominate the townscape, and in the mass of beggars, petty hawkers and casual workers struggling to eke out a living. The cities have wealth, but the poor who live in them do not share in it. They service the city, they clean the houses of the rich and cook for them, they provide labour for factories and shops, they are the main carriers of goods, and yet they continue to be poor. The transference of poverty from a rural environment, where it is well spread out over space, to a city where it is concentrated, presents perhaps the most horrifying images of independent India.

Little is being done for the urban poor. They do not have access to land for housing at a cost which they can afford, nor are they provided with any civic amenities. They are not helped to acquire work-sites to establish their small businesses. They are accepted in the city only as a necessary evil without which the city would not function. The planning system has no place for them because the master plans aim at the creation of regulated and zoned settlements of an unaffordable nature. For the poor, there is really nothing. From time to time, political solutions are attempted, such as granting pattas to people who have already helped themselves to land and who, even without the pattas, would manage to survive on it.

The Commission recognises that the Indian city of today and for some time to come, will have almost a third of its population living below the poverty line. For them, the State must organise both land for housing and work-sites. Their employment obviously cannot be only in the organised secondary (i.e. manufacturing) sector. More and more manufacturing is now being done in highly capital-intensive industries, and the tertiary sector is so heavily dominated by informal activities that it is not directly dependent on formal manufacture. In fact, much business in urban India tends to be in the informal sector, which provides about 45 per cent of the total employment.

Therefore, if the problem of urban poverty is to be tackled, there will have to be a nexus between investment and employment. This does not mean that such employment should be unproductive, as is often the case in relief works. The informal sector is productive and what it needs to become more viable is administrative, financial and marketing support. There is truth in the tautological statement that the poor are poor because they do not earn enough. The Commission is of the opinion that, with the proper type of support, informal, small-scale business can flourish and help the poor to earn more. This support can be in the form of training, organisation for the purpose of marketing, administrative support by provision of work-sites, some basic infrastructure and financial support by loans which can help a small business to establish itself. For this purpose, the Commission has recommended the setting-up of an Urban Small Businesses Development Bank.

The Commission understands, of course, the danger of such aid programmes (which are analogous of those already available to the rural poor) becoming incentives for increasing migration into our towns and cities. The Commission is aware that any such programme could result in accelerating the migration of the poor to big cities, and thus, become counter-productive. On the other hand, if nothing is done to tackle the present dismal situation in these cities, there will be a virtual collapse of the urban system. Therefore, a judicious policy of selective programmes of providing relief to the poor should be deployed in a manner which encourages the growth of smaller urban settlements.

If the preponderance of the poor is taken as the concern on which urban planning should focus, the physical planning of our cities must change dramatically. The poor cannot afford the time or the money to travel long distances to reach their places of work. Therefore, work and residential areas must develop in close proximity to each other. This would change the shape of cities because the need to commute would be drastically reduced. People could just walk or cycle to work, which would alter the road pattern and reduce dependence on public transport. Because the poor cannot afford expensive structures for housing, they would naturally construct low-rise buildings. If this becomes the basis of urban form, then we could move towards a low-rise, high-density configuration of our cities - which would encourage self-help, incremental housing and reduce the high energy requirement endemic in high-rise buildings. What is more, because low-rise construction is labour-intensive, by designing cities in which the poor are equal partners, these cities would not only be pleasant to live in and far more economical to service, but would also have a built-form which would generate much more employment just where it is most needed - viz. among the semi-skilled and unskilled migrants who are moving to the urban centres.

If this low-rise, high-density pattern takes the forms recommended in the chapter on Urban Form, then it would have the crucial advantage of constituting the first giant step towards urban EQUITY. This is an issue which is increasingly going to move to centre-stage as the next two decades unfold. The grotesque disparity which now prevails in our cities ('Tell me how much urban space you command and I'll tell you who you are'.) cannot continue to prevail. For many migrants, cities represent not only economic opportunities unavailable in the villages, but new psychological and physical freedoms as well. The Indian city is a melting pot. For landless labour, harijans and adivasis these cities provide the opportunities which are enshrined in our Constitution, but which our villages so brazenly, and so viciously, deny them. For these millions upon millions, our urban centres will continue to be havens of hope, where they can forge a new future.

#### EMPLOYMENT

The structural changes in the economy are very

slowly being reflected in the composition of the work-force. The primary sector's share in the total work-force was 72.6 per cent in 1951, and this share declined only marginally to about 69 per cent by 1981. Even by 2001, this proportion will still be as high as 65 per cent. This is clearly indicative of the tendency of the secondary and tertiary sectors not to absorb labour commensurate with their rising outputs, particularly in the formal sector - which is partly on account of rising labour productivity in a context of rapid technological change.

The inability of the primary sector to sustain any further burden of increasing labour, the unwillingness of the secondary and tertiary sectors to absorb additional labour in the formal sector, and the distinctly higher incomes of non-agricultural pursuits in urban areas have given rise to rural-urban migration and the phenomenon of growing informal sector employment in urban areas. The proportion of informal sector employment in some of the cities has been estimated to be over 50 per cent. Given the dimensions of economic change and population growth anticipated over the next decade and a half, generating employment in urban areas assumes critical importance. In 1981, 28 per cent of the urban work-force was in manufacturing activity, 18.7 per cent was in trade, 7.8 per cent was in transport, communication and storage, and 25.2 per cent was in other activities. It is estimated that these proportions, in the absence of meaningful interventions, are unlikely to change in the next fifteen years.

In the interest of more equitable distribution of income, it is necessary to pursue policies that induce a higher degree of labour participation in the formal sector and remove unwarranted restrictions on the growth of this sector. The Commission therefore recommends the following:

- (a) The current Industrial Location Policy should be expanded to provide incentives for labour absorption.
- (b) The zoning and town planning regulations currently adopted encourage multi-storey and high-rise buildings which use a technology that has a relatively low labour component. Low-rise, high-density urban form would entail a construction technology which provides

employment to significantly larger number of persons.

- (c) The zoning and land-use restrictions which come in the way of informal and household economic activities should be suitably modified to facilitate a broader economic base for urban areas.
- (d) Training for and financing of self-employment (referred to in the Poverty Alleviation programme) should be stepped up.

### LAND SUPPLY

Possibly the most disastrous feature of the past four decades of urbanisation in India has been our tragic failure to anticipate the rising demand for urban land, and thus be able to ensure an adequate supply at affordable prices. In this the worst sufferers have, of course, been the urban poor.

By urbanised land we mean land which has been developed for urban application by, firstly, having *access to jobs* (crucial to the survival of the poor) and secondly, by the provision of *infrastructural facilities* such as roads, water, sewerage, power, transportation and other municipal services. A sufficient supply of such land, on a scale commensurate with demand, is essential. And yet in our cities and towns there has been no systematic and established method either for its creation or for its delivery to those who need it. The growth rate of India's urban population has never been matched by appropriate interventions to ensure the production of urban land at the right time, place and price.

The results have been catastrophic. Land has become an extremely scarce and expensive commodity, with a fatal mismatch between people's incomes and land prices. Households savings have had to be diverted from other critical uses to meet the most modest shelter needs. Within the urban sector itself, household funds which could have flowed into paying for a range of urban services, such as water and sewerage and transportation, have been pre-empted by grossly over-priced land. As a result, the provision of these services has itself greatly suffered.

This crippling shortage of land forced many of our citizens, both sellers and buyers, into a dis-

respect for the law. Black money has proliferated, corruption has become rife and moral values have been severely eroded. The country is paying a very heavy price indeed for urban land.

Inevitably, the poor have been affected most of all. With legal, institutionalised and simplified access to urban land at affordable prices effectively denied to them, they have had to take recourse to the only option available - illegal occupation of land. These squatter colonies are an organised response necessitated by an otherwise impossible situation (and perhaps are less reprehensible than the illegal floor space violations by the economically more fortunate). The typical response to such occupation is, of course, to deny access to basic municipal services. The result is that the brutal mismatch between income and land price is followed by the most brutish abuses of human dignity.

How are we to respond to this situation? How are shortages to be overcome and urban land prices brought dramatically down? The Commission wishes to recommend, with all the emphasis at its command, a realistic and clear-cut land policy, as follows:

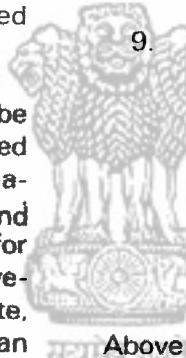
1. The annual demand for additional urbanised land in each town and city must be realistically estimated for different uses and at different locations. Without such data it is difficult to conceive even the first move.
2. Positive intervention must be initiated to generate new urbanised land on a sufficient scale by extending municipal services and (most importantly) providing *access to jobs* in these new areas. This last is crucial for two decisive reasons. Firstly, the poor are not coming to cities for housing—but for work. And secondly, the deployment of work places in these new areas helps initiate the cash flow that is needed to cover the cost of the infrastructure. In this, the role of government is pivotal. As the prime actor on the scene, it must conceptualise the new directions of growth and, by its own participation, take responsibility for initiating the process. By deploying some of its functions (both governmental departments as well as certain semi-

governmental agencies) to open up a new area, it compels others (industry, offices, small businesses, etc.) to follow —thus generating the increased land values that can be used to subsidise the development costs.

3. Furthermore, since every government job moved has a multiplier of about 5 other jobs, transferring 20,000 government employees from Bombay to, say, New Bombay would deploy a total of 120,000 jobs (which, with families, would mean over half a million people) in the new growth centre. Thus, at one stroke, not only would a critical mass be achieved in New Bombay, but a great deal of pressure would also be taken off the old city. The decisive importance of governmental action- and responsibility- in this process cannot be emphasised enough.
4. The hoarding of vacant land must be strongly discouraged and land forced into the market through fiscal mechanisms. Vacant and under-utilised land must be taxed. In fact, there is a case for taxing such land as if it were fully developed, or perhaps at an even higher rate, as a penalty for non-development of an asset valuable to society.
5. Legislative devices can be used to compel the development of vacant lands for designated purposes such as housing for the low and middle income groups. The mandatory development of vacant lands for specified purposes within clearly defined time limits should be applicable not only to private owners but also to government owned lands.
6. Land which has fallen into disuse (or inefficient use) through the passage of time, must not be so locked up but should be recycled for other, more efficient uses, responding to changing times. For instance, significant parts of our cities are occupied by industries which for years have been in a state of decline, some terminally so. We need to accept that factories-like human beings - are mortal. They too have life spans.

There comes a time when technology will render an industry redundant or obsolete. When that happens, preferably before the consequences are felt, land must be allowed to be recycled to meet other more current needs.

7. Unauthorised and illegal occupation of land needed for city growth and the provision of infrastructural services must be dealt with in the larger public interest (though with humanity and understanding).
8. The laws and regulations pertaining to property development, sale and mortgage need to be modified to remove cumbersome and dilatory procedures, simplify transactions and encourage an active land market.
9. Lastly, the data base on urban and urbanisable land needs to be greatly improved, including the adoption of modern cartographic methods, maintenance of well-documented and well-demarcated records of ownership rights, and the creation of suitable machinery for generating and maintaining land records.



Above all, there must be the realisation that urbanised land is a vital resource that needs to be generated in sufficient quantities for appropriate uses. Only thus can we ensure the viability of our cities. The present imbalance between incomes and land prices cannot be allowed to continue because of the damage it is causing to the urbanisation of India, to the welfare of its citizens, and to the moral standards of this nation.

#### FINANCING URBANISATION

At the centre of the problem of urbanisation is the paucity of the funds needed for the creation and management of our cities and towns. Almost without exception, our urban settlements are characterised by highly restricted access to capital funding, and municipal incomes are inadequate for coping with the expenditure levels required for an acceptable urban environment. It cannot be denied that, if we are unable to mobilise greater resources for urban development, we cannot expect a significant change in our cities.

The citizens of our cities and towns, however, need to realise that if they want a better urban environment they must be prepared to pay for it. The funds for urban development must come from industry, trade and commerce, from all the institutions which derive economic benefit through their location in urban settlements, and from the people who live in them. Cities must pave their way to a better urban environment. Tax collection needs to be made vastly more efficient and evasion severely penalised. Property taxes have to be brought in line with existing realities and made simple enough to levy and adjusted periodically. Governments and their agencies should pay the property taxes from which they are exempted today—such exemptions belong to a bygone, colonial era. If and when octroi is replaced, it should be by a tax or taxes which are controlled by the local body. Professional taxes could become a major source of municipal revenue, for which purpose Article 276 (2) of the Constitution would need to be amended. Betterment taxes should be resorted to for raising revenues for the beneficiaries of developmental programmes.

Vacant or underdeveloped land must be brought within the tax net. Charges for services such as water, power, sewerage and transport should be based on full-cost recovery and with a slab system, wherever possible, which puts a heavier burden on the bigger consumers. There is scope for introducing a hierarchy of such services, qualitatively differentiated and therefore differently priced, the pricing mechanism providing for an element of cross subsidy from the rich to the poor.

State Governments too have been remiss in ploughing back into urban settlements a fair share of the revenues which they derive from them. While Articles 280 and 281 of the Constitution provide for the creation of Finance Commissions to determine the sharing of revenues between the Central and State Governments, there is no such provision governing the relations between State and City governments. It is recommended that Finance Commission be appointed by each State to decide on the allocation among city governments of revenues derived by the State from urban settlements, and that the Constitution be amended for this purpose. Municipal plans also need to be incorporated in the State and National Planning pro-

cesses and form an integral part of the country's Five Year Plans.

The Central Government has been equally remiss. Substantial amounts are collected from cities and towns by way of direct and indirect taxes and some of this money must flow back. The Seventh Plan allocation for urban housing, water supply, sewerage, etc. is 4 per cent of which the Central Government's share is 0.25 per cent. These figures are woefully low. It is recommended that plan allocations for the urban sector should be at least 8 per cent and at least one half of this amount should be contributed by the Central Government. The Central Government also needs to show great restraint in taxing elements of the urban infrastructure, particularly housing and transportation, whether it be by way of excise duties on goods, capital gains and wealth taxes, or taxation of incomes from house property. Equally, State Governments need to show restraint in the imposition of sales taxes which would increase the costs of urban living, especially in the areas of housing materials and transportation.

Specialised finance institutions need to be created for the funding of the urban sector. This is necessary not only in order to create reliable channels for funding but also to ensure that funds are equitably allocated among the towns and cities of India, that the money is wisely and prudently spent and that the borrowers make financially satisfactory arrangements for the repayment of loans, payment of interest, depreciation of assets and for meeting operating expenses. The three main banking institutions recommended to be set up during the Eighth Plan are the National Metropolitan Development Bank and the National Urban Infrastructure Development Bank, each with an equity base of Rs 250 crores, and the Urban Small Businesses Development Bank with an equity of Rs 100 crores. At the same time, the equity of the National Housing Bank should be raised from the proposed Rs 50 crores to Rs 200 crores. The Central Government, State Governments and the Banking Sector should share the equity in the ratio 50:30:20. These apex banks would be involved largely in the refinancing of funding by affiliated institutions at State, District and City levels, establishing these bodies, setting organisational objectives and performance standards, and, generally, in playing a coordinating, developmental and catalytic role.

One of the most important functions of these institutions would be to force local bodies to move away from a situation of dependence on exchequer funding for capital expenditure and to prepare viable, feasible projects of urban development which the financial institutions could fund. Built into each proposal would be a scheme for improving the resource base of the local body concerned so that the debt could be adequately serviced. Since the loan would be specifically project-tied and would be monitored by a hard-headed financial institution, the local body would be obliged to spend the money wisely and within the prescribed time limit. A major advantage of this would be that, if the charges, fees, rates or taxes directly linked with the service are raised, there would be less resistance than now because improved service would be available to the citizens. Today, every proposal to raise rates is resisted because it is not linked with any improvement in the services. To the extent that the financial institutions bring discipline to the municipal scene, there would be improvement in municipal administration. Undoubtedly the less-efficient local bodies would not benefit from this source of funding, but these could be singled out and helped to improve their management systems.

The urban sector has been grossly neglected so far and the allocations to it have been far from rationally determined. Furthermore, it is a tragic mistake to look upon investments in the creation of cities and their maintenance as welfare measures. Cities are complex economic and work entities, macro-organisms that produce a variety of goods and skills and services. Investments in the urban infrastructure are not welfare acts: they are crucial investments in the basic infrastructure required for economic growth. These investments pay back dividends to society. Cities must be seen as key elements in the economic infrastructure of this country and we will have to make investments in them in accordance with these perceptions.

#### **MANAGING OUR TOWNS AND CITIES**

The present organisational structure of our towns and cities is based on municipal systems which originated in the British days (as a substitute for democracy at national and state levels). They were best suited to the administration of compact, homogeneous towns. The pace of urban growth was then leisurely and predicta-

ble and, therefore, a municipality could manage a town fairly competently. However, Independence brought in a new dynamics to development in these urban centres. The influx of refugees after Partition caused many cities to increase exponentially in size and population.

Then again, the development thrust in the economy, with a greater emphasis on non-agricultural, especially industrial, activities also brought about remarkable changes on the urban scene. All these factors have resulted in municipal administration becoming increasingly incapable of coping with new demands. Instead of strengthening the municipalities, State governments have often reacted by creating new agencies and authorities, such as Special Planning Bodies and Development Authorities, to undertake urban government functions outside the scope of the municipalities. Many assets which could have yielded revenue to local bodies (especially land), stood transferred to these new authorities. Being nominated, many of them have functioned without taking into consideration the aspirations of the local people and, by and large, have lapsed into an ad hoc style of operating. Whilst there is no evidence that the existence of these specialised agencies has brought about any improvement of the cities and towns, there has certainly been rapid deterioration in the capacity of the local bodies to manage them.

Without organisation and an efficient management system, a city cannot run. Therefore, the Commission has made a series of crucial recommendations about restructuring the city administration. Settlements have been divided into two categories, those which can be run by a single unit of administration, to be called towns, and those which are so large that they require more than one level of administration, to be termed cities. A population of 5 lakhs is the suggested cut-off point (i.e. class C-2 and above). While towns would have a single level of municipal administration, for cities it has been recommended that there should be a division of functions between those which are city-wise and those which are local to a community or area.

The Commission recommends that cities should have local councils for tackling defined local issues. Election to these local councils

would be direct, and each council would send a prescribed number of representatives (perhaps two per council) to the city Corporation. The basic concept is that those services and functions which affect the whole city (and which cannot be disaggregated and which must be professionally managed) should be handled at a level of governance which can take an overview of the whole city. On the other hand, those functions which are of purely local importance and consequence should be kept at a level of administration with which the average citizen can interact personally, and which is directly accountable to him.

In order to professionalise the administration in both town and city, the Commission has further recommended a clear-cut codification of powers and functions between the deliberative wing (which will frame policy and generally oversee implementation to ensure that it conforms to the policy guidelines) and the executive wing (which will enjoy full autonomy and powers within the policy frame). The present conflict between Commissioner and Standing Committee, for example, is sought to be done away with by taking purely administrative and executive issues out of the purview of Standing Committees. Once the urban administration is reorganised on these lines, it would not be necessary to retain functional agencies and development authorities, which could be merged into local governments, thus eliminating the present scope for conflict between them and local bodies. The only exception would be regional planning authorities which might cover regions which contain several towns and cities. But there also, by giving equal representation to every local body in the regional authority, an effort would be made to ensure operation through consensus rather than imposition of authority by a superior body.

Indeed we need to evolve new approaches to the development and management of our towns and cities, and to strengthen the institutions responsible for them. Today most State governments and municipal administrations are saddled with obsolete procedures and attitudes, totally incapable of addressing the rapid urbanisation they face. The highest priority must be given to increasing their skills through new policies of recruitment and training. We need innovative responses at all levels: national, state, city

and neighbourhood. Every human settlement is, in a sense, a unique entity, with its own problems—and its own solutions. The increasing centralised decision-making power in this country tends to pre-empt initiative, and formulates generalised responses - as opposed to local and indigenous ones. Which brings us to what is possibly India's greatest national asset: her human resources. In fact, in contrast to the inertia of the political and administrative systems, it is encouraging to record the proliferation over the last decade of citizens' associations action-oriented groups addressing a wide variety of urban issues, ranging from the pollution of our environment and the rights of squatter colonies to the preservation of our built heritage. These movements should be encouraged. They represent the beginnings of a new relationship between citizens and government.

### URBAN FORM

What will these towns and cities of the future look like? Will they be amorphous blobs on the landscape, characterless, insanitary and uncomfortable? Or will they have shape, form and character? Will they have human scale? These questions are extremely relevant, for although cities are both the outcome of economic and fiscal policies, as well as the direct expression of the socio-political forces at work in society, they also very clearly, are material entities, existing - like any other piece of hardware - in a physical world.

This Report has carefully examined this physical aspect of our urban environment - for the Commission firmly believes that within the socio-economic-political parameters existing in India, our towns and cities could function considerably better than they do now. In other words, given our levels of per capita income, prevailing technology, physical and financial resources, our urban centres - as pieces of hardware - could work better. They could correspond more precisely to our needs.

Today, there is a brutal mismatch between the form of our cities and the way we use them. How could they be fashioned to better suit our purposes? This question is of particular importance to us in India because of the rapid urbanisation which lies ahead. As discussed earlier, the urban environment we see today - both in terms of physical size as well as number of

inhabitants - is only about half of what will exist at the end of the next two decades. Thus we have an extraordinary opportunity (and obligation) to consider new growth options concerning not only the development of urban settlements across the nation (i.e. GEMs and SPURs), but also the physical form and characteristics *within* each urban centre — from the largest metropolis to the smallest town.

In order to identify the most appropriate built-form, the Commission has started by looking at the income profile of urban India, and identifying the affordable capital for each economic group. This is then related to construction costs and densities in three different contexts: the building site, the neighbourhood, and the city as a whole. In each case the varying cost of land, as well as service infrastructure (roads, water, electric supply, sanitation, etc.) and transport is taken into account, and also key benefits, such as open-to-sky space (e.g. courtyards and terraces which, in the warm climates prevailing in India, have a high usability coefficient). The trade-off between all these variables clearly establishes the appropriateness of low-rise, high-density built-form as the primary typology for our cities. In addition to its economy, this pattern also has a host of decisive advantages, viz. it is incremental, it provides variety and identity to the inhabitants, it is more adaptable to the pluralistic life-styles and cultures that constitute our nation, it makes for speedier construction, eases maintenance, and increases employment — since it is much less capital-intensive than high-rise constructions.

But there is one other advantage in this pattern, perhaps the most crucial of all, and that is EQUITY. Low-rise, high-density built-form based on a range of plot sizes between 25 sq m to 100 sq m (with some plots perhaps up to 200 sq m) can satisfy the needs of over 95 per cent of the urban population. It is a typology which is far more economical than apartments (since no space is wasted on public circulation and lifts) and one which liberates the public from developers (since the units can be constructed individually and unilaterally). In order to operationalise the process, the Commission recommends that the development authorities first decide on the allocation of individual house plots and then lease the land to cooperative societies of up to 100 members, retaining the

occupancy rights of the individual allottees. Should the member of a cooperative society decide to pool their land and build group housing or apartments they should be free to do so, provided that the total number of members — and hence of dwelling units — remains the same. This maintains the principle of land equity and, at the same time, allows the construction of apartment buildings at perhaps even higher FARs at nodal points in the city (as and when determined necessary by the planners). The Report then examines the density thresholds implicit in these typologies and establishes how the small fraction of existing land-use in our cities that crosses these thresholds could be modified by adjusting land-use allocations in the city—an objective easily achievable during the process of massive growth that lies ahead.

The Commission has also examined the spectrum of public spaces so crucial to urban form, including chowks and plazas, parks and maidans, and of course streetscapes. In Indian history, from Harappa and Mohenjodaro, through the Vijayanagar town of Hampi, right up to Jai-singh's Jaipur, the street as an architectonic environment has been superbly understood. Buildings are not allowed to be placed at random points on the site, but are organised to form continuous facades, thus defining the public right-of-way — as for instance in Jaipur where the facades of the buildings relate to the public spaces the way walls relate to the rooms they contain. On the other hand, the cantonments built by the British followed a different pattern. There the structures were free-standing, set in the middle of large compounds. This pattern was largely an outcome of the need for security (since the large compound, like the maidan, served to keep the natives at a distance); but they were also a hand-me-down version of the 18th century taste of the English country squire, whose abhorrence of the urbanity of city life had filtered down to the colonial administrators. Thus India, and specially her ruling classes, inherited the idea of an elite living in large anti-urban bungalows right in the heart of huge crowded cities — as witness New Delhi (or, on a smaller scale, Chandigarh).

This lack of coherent streetscape—almost endemic to Indian cities over the last few decades has had a lethal impact on urban form. A gro

tesque example will soon be seen in the nation's capital where, in a very recent edict, a high FAR (2.5) has been combined with a maximum plinth area of 25 per cent of the site. This forces the owner to construct a high-rise building (at least 10 storeys high, plus about 4 parking floors). Furthermore, the savage set-backs on all sides makes certain that these towers will have no relationship whatsoever to their neighbours, nor to the street. The Commission firmly believes that these confused and ineffectual approaches must end. Coherent urban form demands a controlled streetscape, one in which mandatory building lines are clearly specified.

This Report also notes the massive number of pedestrians moving around our city centres, and the urgent need to establish their right-of-way—especially in respect of motorised traffic. It also emphasises the advantages of creating pedestrian precincts, including zones for licenced hawkers, and the appropriate street furniture (otlas, etc.) which would bring this about.

The relationship of urban form to transport networks is also examined, as also question of city size—which can be meaningfully addressed only if we look at city structures as well. For structure determines the holding capacity of a city, as also the amount of urban land generated, the pressure points, and so forth. Given the growth that lies ahead, most of our cities would probably gain immeasurably by being restructured to form polycentric systems which:

- (1) allow citizens to enjoy the better quality of life obtainable in a smaller centre, as well as the economies of scale inherent in being part of larger system; and
- (2) offer more growth options for future generations.

As the city grows, the intelligent placing of important civic and religious buildings, at nodal points in the city structure, is of primary importance in the generation of coherent urban form. This was done with spectacular success in the great cities of the past (as witness Fatehpur Sikri), as well as in this century (e.g. Lutyen's Delhi). These monumental buildings become urban 'events', not only giving character and meaning to the environment that surrounds them, but also acting as coordinates on the city-

scale, providing a sense of orientation and direction to passers-by. In the final analysis, such images can become the symbols for the entire city, as has been the case of the Charminar in Hyderabad, and the Gateway of India in Bombay. Given the scale of urbanisation that lies ahead, it is important that we in-build an understandable structure of such urban events into the fabric of the city as it grows. These nodal points (and the images they create) serve to articulate entire neighbourhoods, giving each of them a distinctive identity. They generate a greater sense of civic life, thus allowing the city to expand not as an amorphous, undifferentiated mass of built-form, but with coherent and rhythmic syntax.

## HOUSING

Housing has been recognised as the basic need, ranked next only to food and clothing. But resources allocated and policies pursued have not yielded the expected results. Forty million people (about 25 per cent of India's total urban population) live in slums and under conditions of multiple deprivation—illegal land tenure, deficient environment and kutcha shelter. In addition, a significant number live in inner-city neighbourhoods with decaying buildings and deficient services. The supply of new shelter units is not adequate to meet incremental needs—leave aside the backlog. This may lead to a doubling of slum population—75 million by 2001. Nearly sixty per cent of households cannot afford a conventional pucca house and the lowest 10-15 per cent cannot even afford a serviced site. Furthermore, given the resource constraints, it is not possible to provide new pucca houses for all in the near future. The emphasis of housing policy therefore has to be on increasing shelter supply, improving and upgrading slums and conserving the existing housing stock.

There are four factors which are essential for achieving a substantial increase in the supply of housing: land, finance, building materials and a simplification of building regulations. We have already dealt with land and finance in earlier paragraphs. But, even at the cost of repetition, it needs to be emphasised that these are the two most important essentials for changing the housing situation. Land prices have to be brought down from their present absurdly high scarcity values to prices close to actual produc-

tion costs. Housing in itself has to be made affordable. In fact, this must be the essential purpose of injecting more finance into the housing sector. There is no point in making funds available for the purchase of unaffordable homes. The beneficiaries then can only be the developers. Finance must therefore be linked to a supply of reasonably priced accommodation and must itself be affordable. This involves provision of housing finance at lower than commercial interest rates with 20 or 30 year repayment periods and progressively rising repayment instalments which keep pace with rising incomes and increasing ability to pay.

For a major housing development programme to succeed, it is essential that the supply of standard, orthodox, conventional building materials is reliable in terms of quantity and quality and that a spurt in demand does not lead to price rise. While some good work has been done in non-conventional building materials, there is no doubt in our minds that the vast majority of Indian homes will have to continue to rely on conventional materials. The concept of developing materials banks, therefore, acquires a new importance and new initiatives need to be taken to improve availability and quality and to bring down costs. In this connection, special attention should be given to mud, that timeless material which over the centuries has been the basic building block of most of India's villages, and which, with inexpensive additives easily available with today's technology, can be further strengthened and stabilised.

The regulatory provisions governing housing development also need to be substantially modified. Existing regulations are often of a nature which effectively preclude affordable housing and belong essentially to an era when there was less of a mismatch between incomes and construction costs. Housing for the urban poor and, in particular, sites and services schemes, cannot be created if the existing regulatory provisions are made obligatory.

In this context, it is necessary to look upon the sites and services programmes not as a way of helping the poor alone but as a way of increasing the supply of serviced land to the entire cross-section of the society. The existing programmes need to be enlarged and their scope extended to cover employment generation, provision of

home expansion loans, provision of off-site community infrastructure facilities, involvement of voluntary agencies, and encouraging sites and services types of development in the joint sector through various land assembly techniques.

*In situ* slum upgrading, including grant of secure land tenure, provision of basic environmental services, and granting home improvement loans, has generally been accepted in principle. But the scope of such programmes needs to be enlarged and the speed of implementation accelerated. This could be achieved by effective beneficiary participation through voluntary agencies.

The policy of granting land tenure to squatters does not however imply that grabbing open lands should be allowed to become an accepted way of securing access to land. Increasing supply of serviced land on an adequate scale has therefore to be an essential concomitant of the tenure policy.

Inner city neighbourhoods which are experiencing widespread obsolescence and dilapidation also require urgent action to arrest further degradation. This existing housing stock also needs rehabilitation and conservation. The newly created Housing Bank should make institutional finance available not only for new construction but also for repairs and rehabilitation of the existing stock.

There are always some households which are either not interested in owning a house or just cannot afford to own one. For such households rental housing is the only option. In 1981, 56.80 per cent of urban households were living in rented premises. The main factors inhibiting investment in rental housing and in the maintenance of rental stock are the various rent control laws. The Commission had made extensive recommendations concerning reforming rent laws in its Interim Report, which have been reiterated here.

The existing rent acts have had a most deleterious effect on the housing situation: poor maintenance and premature decline of housing stock due to unrealistically low rental incomes; the consequential insecurity of those who live in such dilapidated buildings; the decline in the

quantity of housing constructed for rental whether by the state or by private individuals; the holding back from the rental market of unoccupied houses for fear of losing control; demands for up-front and illegal payments; and the stagnation of municipal revenues where these are linked to old rents.

In the case of commercial premises, as well as luxury apartments, it is clear that both landlord and tenant are often equally privileged. Therefore, bearing in mind the importance of protecting the economically weaker sections from the unleashing of market forces, the Commission has the following recommendations to make :

- a. All existing tenancies should continue to enjoy tenure protections but rents should be adjusted upward such that there is a 100 per cent neutralisation of increases in the consumer price index from 1974 onwards for non-residential premises; 50 per cent neutralisation up to, say, January 1, 1989, and 100 per cent thereafter for residential premises of 80 sq m and more and 100 per cent neutralisation only after January 1, 1989, for residential premises under 80 sq m.
- b. In the case of premises rented after January 1, 1989, none of the provisions of the rent acts should apply, not even tenancy protection, for non-residential premises and residential premises of 80 sq m and more. However, in the case of residential premises below 80 sq m tenancy protection would be available but rent should be linked to a 100 per cent neutralisation of the consumer price index.
- c. Litigation should be brought out of the purview of civil courts and instead placed within the jurisdiction of quasi-judicial tribunals which should adopt summary procedures, though the writ jurisdictions of the High Courts and the Supreme Court would continue.

#### **WATER AND SANITATION**

Regardless of whether we are looking at the new growth centres of the future, the existing urban settlements which make a substantial

contribution to national wealth, or the cities and towns which are stagnating, one common strain is the total inadequacy of water supply, drainage, sewerage and housing. Under Article 47 of the Constitution, it is the duty of the State to improve the standard of living of the people and, in particular, to improve public health standards. Water, sewerage and housing are three critical elements for life, without which there can be neither health nor comfort.

The Commission has noted with deep regret that these three most critical areas relating to urban development, have been given, respectively, 1 per cent, 1.36 per cent and 1.6 per cent of the outlay for the Seventh Five Year Plan. Taking the share of the central sector in all three activities combined, it comes to 0.25 per cent of the Plan, with no central assistance for urban water supply and sanitation. This means that even the meagre amount available under the Plan is largely notional because, without the spur of matching central contributions, the state governments treat the urban sector as one of low priority and do not adhere to the provisions made in the Plan. The Commission feels very strongly that, if a beginning is to be made in providing at least the basic services to all our urban settlements, the share of urban development, housing and urban water supply and sanitation must go up to at least 8 per cent of the Plan, with half of this coming from the central government. Then and then alone will it be possible to extend at least some basic services to our towns and cities.

A major feature of our urban scene is the misery and serious health hazards caused by lack of water supply and sanitation. Almost all our urban centres, even those which at one time had reasonably adequate water supply, are now suffering from crippling shortages. It is a matter of national disgrace that, in 1988, there were prolonged periods when Hyderabad and Madras received piped water supply for only about 20 minutes a day—with many localities doing without water for days on end. Delhi, too, has had to face severe problems in the summer of 1988.

On the one hand, there is no long-term planning for urban water needs; on the other, there is a constant paucity of funds. The Ministry of Water Resources Development has gradually evolved

basin development plans for our major rivers for the purpose of irrigation and hydro-power development, but urban water supply is looked upon as a totally residual item. It does not seem to be adequately realised that if water is an input into agriculture, it is equally an input into non-agricultural productive activity. It is erroneous to assume that water for urban use is less important than water for a field of sugarcane. Both are equally critical.

The Commission recommends that unified plans should be drawn up for all water resources and their utilisation, both for agriculture and for urban use. The allocation of water resources should be done in an integrated manner, which means that the funding of water development and utilisation schemes should treat all uses on an equal footing. The Seventh Plan allocates a total of Rs 16,979 crores for irrigation, command area development and flood control. The Commission feels that the allocation would have been much more meaningful if it had taken into account the requirements of water for non-agricultural purposes also. It is hoped that the Eighth Plan will look at water resources and their use in totality, rather than for agriculture alone.

The Commission has looked into the ways in which our urban centres utilise their water. Various studies on the subject indicate that as much as one-third of the treated water is wasted because of leakages in the distribution system. Even before we think of augmenting water supply we should ensure that line losses are decreased substantially. If the major part of the water which is lost in transit in fact becomes available for distribution, many cities would have adequate water for at least the next decade. Investing in the repair of an existing system is obviously much less costly than augmenting the system through new works. If Vadodara, for example, instead of spending Rs 60 crores for additional water supply, were to invest Rs 2.5 crores on improving the system, the city could carry on till the end of the century with the present system. Studies should be undertaken immediately of the water supply system in urban centres throughout India and measures suggested to improve their efficiency. Money must be found on a high-priority basis for improving the existing systems. At the same time, the Commission also recommends that

normative standards of supply should be reviewed and the new standards applied to different categories of towns and cities.

In the matter of water supply, the Commission also feels that various options should be looked at and that technical staff be reoriented to view water-supply schemes, not solely as piped water supplied through a mains system. There has to be acceptance of such alternatives as localised supply from underground and surface sources which serve only one or two localities, household-based supply from individually owned sources, or a combination of some or all of these. There is nothing new about this idea because, even today, most newly developed colonies have their own water supply systems.

Regarding sewerage, since, in the foreseeable future, we are unlikely to achieve a level of water supply which would permit a universal water-borne system of sewerage, the Commission recommends that, where the water supply is inadequate, there should be no mains sewerage system, because it obviously will not work. Therefore, in planning waste disposal there should be a disaggregated approach analogous to that suggested for water supply. This does not mean that no mains sewerage project will be undertaken, but that there should be ready acceptance of alternative systems which may be cheaper and more appropriate to Indian conditions (where adequate water is often not available). If the systems are properly designed, it should be possible to generate by-products, including gas and manure, as well as treated water which could be used for irrigation and gardening.

It is estimated that, by the year 2001, the city of Delhi will generate approximately 4,100 million litres of sewage per day, out of a total water supply of approximately 5,100 million litres per day. The non-domestic requirement of water in Delhi is a quarter of the total water supply, which will be approximately 1,300 million litres a day by the year 2001. To the extent that sewage can be recycled, the need to impound, pump and treat raw water is reduced. If one-third of the sewage generated by Delhi is made available (after proper treatment) for industrial use, fire-fighting and garden purposes, Delhi would need, by 2001, about 4,000 million litres of treated water per day instead of 5,100 million litres.

The treatment of sewage, including up to the tertiary stage, would be very much cheaper than the impounding, transport and subsequent treatment of raw water for distribution. The Commission strongly recommends that, as a means of reducing the water requirement of cities, every major centre which generates a substantial quantity of sewage should install adequate recycling facilities so that the treated effluent is utilised for non-domestic purposes. This should be a high-priority requirement and the Central Government should provide adequate assistance for this purpose. Plan priorities must be altered accordingly. Similarly, there should be both recycling of solid waste and its utilisation for manufacturing gas, etc. At present, most large cities dump solid waste as landfill, which only serves to spread insanitation.

#### TRANSPORTATION

All our major cities are plagued with traffic congestion. The obvious factors responsible are the concentration of too many people and activities in too small a space, and the inefficient relationships of work-places and residences. In the past two decades, the situation has deteriorated significantly. The total number of trips per person per day, the average trip length and trip cost have all increased. In the absence of an integrated policy and coordinated approach, intra-city transportation has grown in a haphazard manner, without any long-term perspective, causing congestion and severe crises in our cities.

An urban transportation system can be developed optimally only when transport and land-use planning are examined together. Transport is not a separate entity in itself, but is part of an intricate feed-back involving locational decisions in the city. Too often, traffic engineers are given a brief wherein the existing land-use patterns—and hence the desire lines across the city—are unquestionable ‘givens’; then they are asked to postulate traffic ‘solutions’. This then takes the form of exorbitantly expensive hardware (flyovers, freeways, underground railways etc.) which we cannot afford to implement. In any case, the efficiency of such palliatives is short-lived, since ease of movement encourages more journeys, thus clogging the traffic arteries once again. It must be realised that land-use and traffic are but two sides of a single complex. Far from taking existing

desire lines as immutable ‘givens’, we should examine alternative patterns of land-use which would optimise our traffic systems by *altering these desire lines*. This is a crucial option not available to traffic planners in the West (where urban population have already stabilised—often in rather inefficient patterns), but is perfectly viable in Indian contexts, where urban centres double in size within two decades.

Another important change we need to bring about is in the present bias—especially evident among our urban elite—towards personalised transport. The same person who would happily wait for a bus in London would never be seen in a similar queue in Bombay or Delhi. There seems to be an extraordinary social/psychological barrier operating, inherited from the sahib life-style (which, as discussed under Urban Form, also makes our power elite want to live in large anti-urban bungalows right in the heart of what are some of the most crowded cities in world). How do we break down this barrier, this taboo? As a first step, the Commission has recommended the introduction of mini-bus services, which can be signalled to a stop anywhere along the street (thus avoiding the trauma of standing in a queue!). The tariff could be about three times that of the regular bus service and about one-third that of a taxi ride. The advantages would be considerable: firstly, almost every passenger in the mini-bus would represent one less car on the road. Secondly, once the social/psychological barrier (really the *class barrier*) is broken, these decision-makers and their families would probably start using the regular bus services—which, given the nature of our society, would then improve by leaps and bounds.

Though public sector bus transport undertakings enjoy unlimited protection from Central and State Governments, their performance has been far from satisfactory, with ever-mounting losses and low levels of performance. In order to ensure better service, it is essential to bring about a judicious balance between public and private sector operation. There are very strong economic and performance indicators in support of such a rationale for breaking the monopoly of the public sector. The privatisation of a selected number of routes should, therefore, be seriously considered. The modalities of operation should be based on performance criteria and productivity.

## ENERGY

The Commission is of the view that electricity-supply planning and pricing should be employed as important policy tools to promote the urbanisation patterns recommended in this Report. Electricity is the prime mover for industry and draws industries to locate in those areas where there is relatively continuous power supply. Delhi, for example, is attracting industry because of the more assured supply there as compared to the adjoining smaller towns.

Pricing can also be employed effectively to influence the pattern of urban growth. Presently, most electricity boards have tariff structures which are differentiated only by sector and not spatially. All industries in a state pay the same rate for electricity, irrespective of where they are located. Tariff differentials should be worked out such that there is a definite encouragement for industry to locate in preferred areas.

Another issue that needs to be considered is that of the role of the private sector in the generation of electricity. With increased urbanisation, the power requirements will no doubt grow substantially. It is unlikely that investments in electricity generation by the public sector alone will be sufficient to meet the increasing demand. The Commission, therefore, feels that, the private sector should not be excluded from the area of power generation and distribution but should, in fact, be encouraged to enter it.

Transportation within and between urban settlements accounts for a major share of urban energy requirements. Various modes of transport have different characteristics in terms of energy consumption. Moreover, the spatial pattern of urban development and the mix of urban functions can strongly influence the number and length of passenger trips. In planning the structure of urban settlements, due regard should be paid to the amount and energy efficiency of transport required.

At present, urban development plans do not give adequate consideration to mass public transport. In preparing development and traffic plans, specific measures should be built in to facilitate the efficient operation of a public transport system. The plans should also provide for bicycle paths and pedestrian walks, in order to facilitate non-motorised movement.

We should also establish laws regulating energy use in buildings, defined in terms of energy per square metre of floor area. This will encourage innovation in design and construction in order to find economical and acceptable ways of meeting the required standard. Building regulations should take this factor into account.

The use of solar energy should be made compulsory in commercial buildings, particularly hotels, hospitals, restaurants, office canteens, etc. and encouraged in other types of built-form, including housing, where densities would need to be low enough to permit adequately sized solar energy collection. The use of bio-gas on a city scale should also be examined.

The Commission feels that energy planners have not fully appreciated the impact of urbanisation on the quantity and type of fuels that would be demanded by households for cooking and heating. We need a perspective plan for household energy, keeping in view the urbanisation process spelt out in this Report. In particular, it is important to pay attention to firewood use in urban areas because:

- it is a major fuel used for basic needs by the poor,
- currently, about one third of the total fuel-wood is used in urban areas, and
- urban consumption of fuel-wood contributes to deforestation.

An analysis of data on expenditure shows that the urban poor spend a substantial share (12 to 16 per cent) of their income on purchasing fuels for meeting their cooking and heating needs. In contrast, the urban rich only spend 6 to 7 per cent of their incomes on household fuels. To make matters worse, the urban poor are forced to consume fuels which are high in cost, low in efficiency and, being smoky, cause health hazards. It is imperative that an integrated policy of energy prices and supplies, covering all fuels (including electricity) is evolved which would meet the twin objectives of equity and efficiency.

## CONSERVATION

India's architectural heritage is truly extraordinary. Our towns and cities, especially the historic quarters in the older urban centres,

present a number of unique characteristics worthy of preserving. Apart from the most outstanding buildings, this must also cover the relationship between groups of buildings and the spaces around them, certain focal points or landmarks in the city-scape, and that part of the architectural fabric which expresses special vernacular styles.

For urban conservation is no longer confined to preserving isolated buildings of outstanding architectural importance, but must involve a much broader approach, one which aims at identifying and retaining those parts of the built-environment whose character is vital to our natural and real heritage. It, therefore, follows that any new development, or redevelopment, should be in sympathy with, and contribute to, the character of that area.

Recycling buildings for adaptive reuse opens up enormous possibilities (seen so far only on a small scale in the hotel sector and in some government-occupied buildings). Some of the country's most outstanding buildings in urban areas requiring special attention and care are under the direct control of a number of government agencies and the Commission has offered many suggestions on how this can be provided.

A package of incentives and fiscal reliefs to encourage better maintenance and upgradation of the usable housing stock on the one hand, and some legislative provisions to protect that part of the heritage which is deemed to be of lasting value on the other, will be needed for creating an awareness of economic and social benefits of the proposed conservation policy.

### **RENEWING THE CITY**

All matter, whether organic or inorganic, has a life cycle. Decay is built into the very process of creation. A city structure too has a similar dynamic. Where market forces operate, a decaying area falls in price and there is an incentive to buy over cheap properties. These are redeveloped and, being renewed, command a greater price. The city core thus passes through a cycle of high value with new developments, low value as passage of time causes decay, and then, once again, high value through redevelopment.

In urban India, rent laws and industrial development policy inhibit the phasing out of uneconomic

land-use its replacement by new development. Whether it be the old city in Delhi, the mill area of Parel in Bombay, or the Khatais of Calcutta, all the older parts of our major cities have been allowed to degenerate into slums. Thus good available land gets locked into a use which neither yields revenue, nor supports gainful employment. Furthermore, it is not available for housing or for any form of social infrastructure which benefits the community. Finally, the low values of these properties deny the city resources which would flow out of municipal taxes based on a realistic evaluation of rentals and property values. More than anything else, the stagnating cores of our large cities have contributed to the decline of what were once the thriving nerve centres of this nation.

The Commission is acutely aware of the fact that the major urban settlements need a great deal of support if they are to recover their health. The answer, however, does not lie in merely pumping in ad hoc funds from time to time. While it can be argued that Calcutta would have been a much worse city if support had not been extended, and that the services of Delhi would have been even poorer if massive Plan aid had not been made available, this kind of 'help' has also resulted in these cities refusing to take a good, hard look at their own tax-base in order to raise resources internally.

In this connection, it is intriguing to note that the higher the real estate prices climb in our metropolises the more viable become the strategies for recycling urban land (e.g. replacing underused and outmoded industry or port facilities either by housing or by new, state-of-the-art industry). Thus the distorted scarcity value of existing buildings in the city of Bombay could make viable the cost of a railway bridge to the mainland (through the levy of a betterment cess on building construction at the other end). In short, the worse conditions in our cities become, the more amenable they could be to solution; for the prices climb, the greater the incentive created by the difference between the scarcity value of that accommodation and its replacement cost in a new location. All our major cities abound in examples of industries seeking permission to remove their factories from the heart of the city to locations outside with the land so released being used for alternative purposes within the general ambit of the

aster plan. The labour force thus displaced would be taken care of by payment of compensation or absorption at the new location. Political interests have so far succeeded in stalling almost all such proposals. The release of land in the very heart of a metropolis (part of it for social purposes, part for giving profit to the landowner, and the rest for bringing in such compatible activities as would generate wealth) would have completely transformed overcrowded localities. And this could happen without any cost to the State. What the large cities need is not so much an infusion of funds as a clearing of the cobwebs of the mind so that the resources locked up within a city become available for constructive purposes. This Report has, therefore, recommended in detail the steps necessary to permit periodic recycling of land within a city so that there is a constant upgradation of both infrastructure and employment.

#### URBAN LEGISLATION

The Commission feels that urban India is over-regulated, with laws and rules which inhibit enterprise rather than encourage it. Broadly speaking, these laws and rules could be categorised as laws relating to planning, those relating to land, those relating to municipal administration, and fiscal laws. The Commission's views on each of these are outlined below.

*Laws relating to planning* : The town planning acts and their offshoots are the basic laws which relate to planning. They tend to be largely negative in their approach. They state what cannot be done, they make rigid prescriptions about land-use and they hinder land development rather than facilitate it. The underlying assumption in the existing planning laws is that it is possible to put cities in a strait-jacket, regardless of the dynamic forces which might operate on them. Thus, the Delhi Development Act starts with the preamble that it is an Act to provide for the planned development of Delhi; the Madhya Pradesh Town & Country Planning Act refers to the planning and development of land, the execution of town planning schemes, and the compulsory acquisition of land. None of the acts speaks of the people who inhabit the cities. The Commission, therefore, feels that not only the approach to planning should be changed but even the laws should be altered in such a way that they generate collective and individual initiative in the process of city development.

*Laws relating to land* : State intervention in the urban land market is imperative for ensuring land for the urban poor. The Urban Land (Ceiling and Regulation) Act, 1976, has, however, failed to transfer vacant land to State ownership, in fact, has led to an increase in land prices. Because of the urgency of the situation, the Commission in its Interim Report had suggested amendments to the Act. On further consideration, the Commission feels that the Act be changed radically to encourage owners to develop the land for housing the lower and middle income groups, or pay a heavy tax for keeping the land vacant; they would be compelled to surrender it to the state if it is not developed within a five year period. Another alternative would be not to have a Ceiling Act at all, but to bring all underutilised land under a punitive tax. The proceeds of the tax in either case would be used to create a Shelter Fund for the poor.

The supply of serviced land can also be increased by promoting what is generally termed as land assembly. Here the basic principle is that the land values increase significantly when a proper layout is prepared and infrastructure developed. The increase in value is of such magnitude that even after allowing for land used for infrastructure and public purposes, the schemes offer an attractive rate of return to private land owners on the value of the undeveloped land. This can form the basis for joint participation of private land owners and public agencies in land development. The Town Planning Schemes implemented in Gujarat and Maharashtra, therefore, deserve replication in other states. In these schemes half the incremental value is to be recovered as betterment levy. Variations of similar approach where part of the land is retained by the public agency for recovering the cost of infrastructure and/or providing sites to urban poor could also be attempted.

Several factors today prevent a city from developing along desirable lines. One is the plethora of laws, rules and regulations which restrict rather than encourage. Ahmedabad has few unauthorised colonies because the provisions relating to town planning schemes permit the owners of open land to get layouts approved, exchange land on an equitable basis where the planning norms so require, and develop housing layouts. Almost half the population of Delhi

and Bombay live in unauthorised colonies because the system of planning militates against landowners developing their own lands and, therefore, when demand outstrips supply, people build unauthorisedly. Whether the restrictive laws relate to planning or whether they arise out of misplaced social legislation, the Commission recommends that they be done away with so that new lands come on the market at a rate commensurate with demand.

There are two other sets of laws relating to land which need drastic change. The first relates to urban land tenure. One reason why the land market is distorted in India is that urban tenancies are highly complicated, with the result that a mortgage market or a market for sale and purchase of land has not developed adequately. This leads to underinvoicing of land values, evasion of stamp duty and registration fees, and the use of unaccounted funds in the matter of land sale and purchase. The laws relating to tenure must also be simplified.

The second set of laws requiring revision relate to sub-division, diversion from agricultural use and the ceiling on holdings in urban areas. In the urban context, diversion of land to urban use and sub-division should form a part of planning laws and not of land revenue codes. If there is no planning objection to diversion of land, then it is the layout which should generally determine sub-division. What should be done, however, is to tap the incremental value of diverted land so that money becomes available for development of the infrastructure. With regard to the ceiling on holdings, the law has yielded no results, both because it is defective and because there is no will to enforce it. Its purpose was to ensure that there is no cornering of land for the purpose of speculative profit and there is equity in land distribution. A secondary purpose was to make available land for city development, especially for social purposes. The Commission has recommended that the law should be so amended that the holding of vacant land or the retention of land under uneconomic use is so heavily taxed (to finance a shelter fund for the poor) that there is a strong incentive to develop land quickly.

*Laws relating to municipal administration* : Like town-planning laws, these also tend to be regulatory in their approach. The extent of unauthorised

construction suggests that the laws have failed. The Commission feels that, regulation of activity in identified areas, specified uses or in the case of buildings which totally dominate, the rules relating to housing, should be made as liberal as possible. If the guidelines provide for a development envelope, the detailing within that envelope need not be of great concern to the local bodies. Instead, the laws should be amended in such a way that the discretionary powers of local bodies to raise resources, frame bye-laws and regulations, etc. are greatly enhanced and the interference of government reduced.

*Fiscal laws* : At present, fiscal laws are heavily weighted against city development. Tax rebates are offered for investment in industries in backward areas. Is a city which largely consists of slums, not backward? Should incentives not be offered for investing in housing in such a city? The Commission feels that the fiscal laws should be so amended that those businesses which contribute to city development, either through infrastructural development or by investment in social housing, etc., get such tax incentives by way of encouragement. At the same time, the tax laws should discourage and penalise those who add to the city's burden. Provided the tax laws are properly devised and operated, they can bring about substantial and beneficial change in the structure of cities.

#### AT THE CROSSROADS

The National Commission on Urbanisation is convinced that urbanisation provides alternatives to poverty and stagnation for the surplus rural population. Furthermore, it provides a market for agricultural produce and thus encourages higher production, provides services to the rural areas, helps in the creation of an adequate social infrastructure in the villages, and encourages the strengthening of the rural-urban continuum. Urbanisation, thus, is a positive input into rural development.

We are at a crossroads at which two distinct options are available. The first is a non-interventionist approach which would gradually see large urban centres grow to the point where growth itself begins to destroy. This is the road to disaster. The second option is that by appropriate interventions and basically sound spatial distribution, settlements are strengthened &

that there is growth in equilibrium at various levels of settlements. The policies recommended in this Report could bring about, by the year 2001, a more balanced and productive system of urban centres across the nation. If, by that year, we bring down the net reproduction rate (NRR) to unity, the nightmarish horrors of the open-ended population growth we expe-

rience today would be gradually dissolving into a thing of the past.

The Commission unequivocally endorses the second option. It is well within our power to bring about the emergence over the next two decades of a strong, prosperous, and efficient urban India.

#### **CLASSIFICATION OF CITIES AND TOWNS ADOPTED BY THE NATIONAL COMMISSION ON URBANISATION**

Class of Cities	Range of Population
C 1 :	1 Lakh to 5 Lakh
C 2 :	5 Lakh to 10 Lakh
C 3 :	10 Lakh to 20 Lakh
C 4 :	20 Lakh to 50 Lakh
C 5 :	50 Lakh to 100 Lakh
C 6 :	100 Lakh & above
 Towns	
T 1 :	20,000 to 50,000
T 2 :	50,000 to 100,000

#### **CENSUS CLASSIFICATION OF CITIES AND TOWNS**

Class of Cities/ Towns	Range of Population
Class I	100,000 and above
Class II	50,000 to 99,999
Class III	20,000 to 49,999
Class IV	10,000 to 19,999
Class V	5,000 to 9,999
Class VI	Below 5,000

According to Census practice, Class I cities denote towns with population of 1 lakh & above.

# 2

## Recommendations

The Commission, having looked into various facets of urbanisation, has made detailed recommendations, listed at the end of each chapter in Volume II of this Report. Our principal recommendations are summarised below.

### Dimensions of Urbanisation

1. The urban centres which can generate economic momentum and require priority in development have been identified. They include National Priority Cities (NPCs), State Priority Cities (SPCs), Spatial Priority Urbanisation Regions (SPURs) and the small towns which serve the rural hinterland. From the 8th Plan onwards the fullest support must be given to the development of the identified growth centres.
2. The process of urbanisation can and must be used to improve agricultural performance and create localised employment opportunities.
3. Population control measures must be made really effective in both urban and rural areas in order to stabilise the urban situation.

### Land

4. Since the most disastrous feature of Indian urbanisation has been the failure to anticipate the rising demand for urbanised land, a key resource of urban planning, the supply of such land should be given the topmost priority.
5. A Settlement Survey of India should be established at national level and a Directorate of Urban Land in each state. At the city level there should be an Urban Land Manager under the control of the District Collector.

6. The urban land tenure system must be changed to ensure security of tenure.
7. Future land requirements, especially for housing the poor, should be anticipated and provided for.
8. Squatting on public land may be regularised where possible, but land required for public and social purposes must be protected and selective re-location of squatters from ecologically sensitive land must be undertaken.
9. The State must intervene to provide equitable access to land.
10. To bring increasing quantities of land to the market the Urban Land (Ceiling & Regulation) Act, 1976, should be drastically amended, and supplemented by taxation measures that would discourage landowners from keeping their land vacant and encourage proper utilisation.
11. Various forms of land assembly, through land exchange scheme, layout approval and other similar measures should be encouraged.
12. The Land Acquisition Act should be amended to eliminate delay and ensure timely payment to the affected citizens.
13. All laws which inhibit or restrict the recycling of land should be suitably modified.

### Water and Sanitation

14. A holistic rather than a compartmentalised view of water resource management should be taken.

15. Water, being an absolutely critical input for human survival, must be treated as such and accorded suitably high priority in the planning process.

16. The immediate objective should be the provision, on an equitable basis, of at least 70 litres of water per capita per day in urban areas for domestic requirements.

17. To ensure better maintenance of existing water systems, an additionality of Rs. 1000 crores per annum must be provided to local bodies. Waste water recycling and its use for non- domestic purposes should be encouraged.

18. To ensure water conservation, a differential tariff on water use should be applied, with a sharp increase in the rate charged for consumption in excess of 100 litres per capita per day.

19. Legislation should be introduced to control water drawal even from private sources in order to maintain the water table. This may include nationalisation of all water sources.

20. The collection of solid waste and its use in composting and as an energy source should be made more efficient. Where possible the service should be transferred to private hands.

21. Laws relating to control of pollution must be strictly enforced.

## **Energy**

22. Energy demands of urban areas must be anticipated and advance action taken to meet them and optimise energy use.

23. Energy supply planning and pricing should be used to influence activity location.

24. Land-use planning should be used as a means of reducing the energy need of the transport sector.

25. Development control rules and building bye-laws should be modified to ensure the construction of energy-efficient buildings.

26. An integrated pricing and supply policy, covering all fuels, should be evolved to achieve equity and efficiency.

27. A data base on energy use in urban areas should be built.

## **Transport**

28. To ensure increase in city efficiency, land-use and transportation planning should be integrated.

29. The bias towards personalised forms of transport must be corrected and mass transportation encouraged. By allowing a wide variety of multi-purpose vehicles to operate, including luxury buses, the use of road space by private cars must be reduced.

30. Short-term, affordable solutions rather than capital-intensive, long-term plans should be resorted to. This implies optimising the use of currently available transportation modes.

31. Cycling and pedestrian facilities should be improved.

32. Management of transportation at city level should be unified under a single authority.

## **Urban Poverty**

33. The amelioration of urban poverty should be accorded the same priority as that given to rural poverty.

34. Four lakh urban youth should be selected from poor households every year and trained in skills for which there is a demand.

35. Self employment of the urban poor must be encouraged by an appropriate credit-support programme.

36. Production and market support should be given to the self-employed urban poor

37. City planning should be geared to providing shelter and sites for employment generation programmes. Local bodies should be supported in their efforts to create special employment facilities, including worksheds for tiny manufacturers.

38. The shelter programme should be used to provide employment to the urban poor.

39. Wage employment for the urban poor

should be provided through a programme for creation of such urban assets as water supply, drainage systems, land development, etc.

40. The public distribution system should be strengthened to meet the consumption requirements etc.

41. Community development should be the strategy for the improvement of the living conditions of the poor and an Urban Community Agency should be set up at national level.

### **Housing**

42. Housing policy must aim at increasing the supply of serviced land and low-cost shelter, improving and upgrading slums and conserving the existing housing stock.

43. The State must facilitate housing and ensure access to basic inputs. It should not become a real-estate developer.

44. The sites and services programme should be extended to cover the entire cross-section of society. Besides providing housing, the programme should be used to generate employment.

45. Apart from providing access to land, the housing programme must also provide for finance, infrastructure development, and community facilities.

46. Inner city upgradation and housing repair must be encouraged.

47. Public agencies in the housing sector should be restructured for fulfilment of their new role as facilitators rather than providers of housing.

48. Rent acts should be modified to limit tenancy protection to the poor and to the existing tenancies and to provide for annual revision of rents to reflect increases in the cost of living, the increases varying between residential and non-residential premises and houses above and below 80 square metres.

### **Urban Form**

49. Low-rise, high-density development

should be the predominant built-form in urban India.

50. Municipal regulations regarding minimum plot sizes, buildable plot area, etc., should be amended, building envelopes designed and building codes modified so that the desired built-form is achieved.

51. Controlled streetscapes should be achieved through mandatory building lines and developing appropriate building envelopes.

52. Public squares, parks, promenades and other nodal points of urban centres should be rehabilitated by restricting vehicle entry and ensuring controlled development. Civic landmarks should be treated as urban events which lend identity to a city neighbourhood and enhance civic pride.

53. Land allocation must be consistently monitored and readjusted to ensure equitable city growth.

### **Conservation**

54. Conservation should go beyond preservation of monuments and encompass the whole built heritage.

55. Rules and regulations should be amended to encourage conservation of the living environment.

56. City planning must encourage conservation of old city areas and not just development of new areas.

57. Direct fiscal and other incentives should be offered as an encouragement to individuals to conserve places and sites.

### **Spatial Planning**

58. There is a need to supplement economic development planning by inter-sectoral coordination through the spatial planning process. Spatial planning at state and district level should concentrate on National Priority Cities, State Priority Cities and Spatial Priority Urbanisation Regions with a view to bringing about integrated development. Therefore, multi-level

spatial planning at the national, state and district level is recommended.

59. At the city level, to make planning more comprehensive, the local Government should adopt the three-fold development planning process, viz. Master Directive Plan for the entire city, and Execution Plan and Action Area Plans as programmes, taking into consideration major sectors of development such as employment, housing, transport, and the essential urban infrastructure. The execution plan should replace the present zonal development plan and should correspond in periodisation to national and state Five Year Plans, thus forming a capital investment plan as a budgetary tool and also as an instrument of coordination and implementation of public and private sector projects. The action area plans should be used as a means of detailed planning.

## Finance

60. The priority accorded to urbanisation in the Five Year Plan should be raised from the current share of about 4 per cent of the total to at least 8 per cent. Half of this should be from the central sector.

61. To ensure devolution of funds from the state governments to local bodies, there should be a constitutional provision for setting up quinquennial State Finance Commissions.

62. The tax base of local bodies must be strengthened.

63. Four major banking institutions—a Metropolitan Cities Development Bank, National Housing Bank, an Urban Infrastructure Development Bank and an Urban Small Business Development Bank should be set up.

## Management

64. The Planning Commission should have a full-time member incharge of urbanisation.

65. The Urban Development Ministry should be nodal and should have divisions dealing with urbanisation and urban poverty alleviation.

66. At the national level, there should be a National Urbanisation Council, with a counterpart State Urbanisation Council in each state. The councils will formulate urbanisation policies.

67. To encourage citizens participation there should be an Indian Council for Citizens' Action, with counterparts at state and city level.

68. The municipal administration should be restructured so that cities with a population of more than 5 lakhs have a two-tier administration consisting of the city corporation and local councils.

69. The division of functions between the elected, deliberative wing and the executive wing of local bodies should be codified. The responsibility and accountability of each functionary must be made specific and the management of city services professionalised.

70. The supersession of local bodies should be the exception rather than the rule, and the holding of elections for reconstituting a superseded local body within the specified period should be made mandatory and the municipal electoral process brought under the umbrella of the State Chief Electoral Officer.

## Information System

71. Various data sources at national level should be modified to provide spatially disaggregated data.

72. Access to data at source should be made easier.

73. Two new data systems pertaining to land and the environment should be organised.

74. The information system should be designed to facilitate decision making.

75. The information system at local level should use data generated through the normal administrative processes.

76. To facilitate urban planning location-specific information systems should be devised.

77. Remote sensing should be used to monitor changes in regional land-use and expansion of urban areas.

78. Pilot projects for developing integrated urban information systems should be launched in selected major cities.

